

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS VIRTUAL MEETING
SEPTEMBER 24, 2020 AT 6:00 P.M.**

Present for the Board: Gregory Dubreuil, John Hine, Anne Awad, Peter McAvoy
Absent: Kurt Schenker

Present for SHELD: General Manager Sean Fitzgerald, Financial Manager Michael Conchieri,
Administrative Assistant Kim Mendoza, Sr. Engineer Mark Gilmore

Guests: Mr. Howard Cheney, Partner and Director of Audit and Accounting, and Eric
Pinsoneault, Sr. Associate, from MyersBrothersKalicka audit firm

The virtual meeting was called to order at 6:00 P.M. by Chair Dubreuil.

Minutes Approval:

8/27/2020 Open Session

On a motion made by Mr. Hine and seconded by Mr. McAvoy, it was unanimously
VOTED: To accept the meeting minutes of the SHELD Board of Commissioners
meeting of August 27, 2020.

Chair Dubreuil then stated that the 2019 Audited Financial Statements Report & Presentation
would be moved up in the agenda.

2019 Audited Financial Statements Report & Presentation:

Mr. Dubreuil introduced Mr. Howard Cheney and Mr. Eric Pinsoneault from the firm of MyersBrothersKalicka who had conducted SHELD's 2019 audit. Mr. Cheney indicated that this was the first year their firm had handled the audit and started his PowerPoint presentation with background information on the audit process. He then continued with the results of the audit. SHELD received an Unmodified or Clean Opinion which is considered a good rating. SHELD uses appropriate accounting policies, there were no significant adjustments to be made and no disagreements with management. He explained the step by step process that was used and explained what their firm looks for during the audit process. He gave a high-level overview of SHELD's assets and liabilities for 2019 versus 2018. He explained the retirement benefits and pension trust fund information. Then Mr. Cheney explained the Management Comment Letter which listed their observations and recommendations for changes SHELD could implement and updates to recommendations listed in previous year letters. Some changes would not be possible for SHELD to make because of its small size and limited staffing. There were some things, from the previous year recommendations, that had been implemented. Mr. Cheney finished with the review of the required Governance letter addressed to the Board outlining the firm's responsibilities to SHELD. All of information contained in this letter had already been presented in the two previous reports.

Mr. Dubreuil commented that the presentation was excellent and thanked Mr. Cheney and Mr. Pinsoneault. Mr. Cheney said he looked forward to year two.

Mr. Dubreuil requested a motion to accept the reports.

On a motion made by Mr. Hine and seconded by Mr. McAvoy, it was unanimously
VOTED: To accept the audit report, the management letter, and the required communication between MyersBrothersKalicka and the Board.

Public Comment:

Mr. Fitzgerald had received an email inquiry from Mr. John Howard asking if he could please provide an update on the solar rebate incentive program. Mr. Fitzgerald replied that SHEL D has participated in the DOER’s State MLP solar rebate program which provides rebates of a \$1.20 per kWh for customer solar projects up to 10 kilowatts.

Since May of 2019 nine SHEL D customers have received a total of \$86,388 in rebates and there are another five customers who have \$53,196 in committed rebates. That will bring SHEL D’s current total to \$139,584 in rebates. There is still \$69,128 available. Once the \$69,128 is committed (8-10 more potential rebates), SHEL D will have reached a total of \$200,000 in rebates which includes the 50% from the State.

Manager’s Report:

Outages:

There were four outages in the past month. Three were minor, due to squirrels, and lasted under an hour. There was one outage that lasted four hours, impacting 158 customers on Hadley Street, when a large tree fell and took down a cross arm and phase wires blowing multiple fuses. The crews were on the scene within minutes and worked efficiently to restore in under 4 hours.

Mr. Fitzgerald then presented SHEL D’s annual reliability statistics which are part of the strategic initiative of reliability. He stated that SHEL D has been acknowledged by the American Public Power Association with a Certificate of Excellence in Reliability. The award states that SHEL D has significantly exceeded the average for all U.S. electric utilities for reliable electric service. It states that “we are pleased to inform you that South Hadley Electric Light Department is in the top quartile (25%) of utilities for System Average Interruption Duration Index (SAIDI) based on the EIA data, thereby qualifying for the 2019 Certificate of Excellence in Reliability”.

He continued by displaying SHEL D’s 2019 SAIDI, SAIFI, and CAIDI statistics, along with a three-year historical review of SHEL D’s reliability performance. Mr. Gilmore commented that the numbers shown are great, the crews do a good job, and the system is built well but one or two additional outage events can raise the numbers. The CAIDI number was higher this past year for that reason.

Mr. Hine commented that the upcoming AMI meters will notify SHEL D when the power goes out. Mr. Gilmore said that when all the meters have been replaced, SHEL D will be notified of an

outage before a customer calls in. We will be notified by the meters when the power is restored. The RFP for the AMI system for the entire Town was just completed and once the vendor proposals are reviewed, the top two vendors do a presentation, and a vendor proposal is chosen, new meters will start to be installed. It will take three years to replace all the meters.

Fibersonic Update:

SHELD has completed construction in ten fiberhoods and there are three more currently under construction. The Boynton Avenue fiberhood is now accepting applications for service and the Berwyn Street fiberhood is on track to be completed at the end of November. Interest continues to grow, and our crews are installing as fast as possible, in accordance with our original plans. The construction on the two central office sites is also underway.

COVID-19 Update:

SHELD continues to operate as an essential business with our in-person customer service office closed to the public. We have been able to service our customer needs successfully in this mode and do not anticipate any changes or disruption to service

Diversity in the Workplace:

Ms. Awad began by stating that there are many opportunities at SHELD and wondered how job opening information was relayed to attract and retain recruits. She would like to see a woman lineworker in SHELD's future. Mr. Dubreuil stated that lots of organizations have written Diversity and Inclusion plans. Mr. Hine stated he feels the whole utility industry needs to develop a program to inform and develop people into candidates because there may not be diverse candidates out there. That will make it hard to fill open jobs.

Mr. Fitzgerald replied that both he and Kim Mendoza have begun doing training and soliciting advice on diversity and inclusion. American Public Power offered webinars on "Check your blind spots: Inclusion and unconscious Bias training" and "Diversity and Inclusion as a Business Imperative". SHELD is also in discussions with the Employers Association of the Northeast to help us work on our diversity planning. He also was on a MEAM call and asked other members what they were doing and found out that one municipal had hired a consultant to help them. We need to start thinking differently and be more inclusive. We plan on working to develop a plan for SHELD. It may be difficult for SHELD though because of our small size.

Mr. McAvoy thought this was a great topic and asked about SHELD's apprentice program for lineworkers. Mr. Fitzgerald explained how the program works and that SHELD has had apprentice lineworkers. He also stated that SHELD is fully staffed right now but there are going to be a number of pending retirements in the next five years in several departments. Mr. Fitzgerald said he would keep the Board informed of the progress.

Representative O'Day Letter:

Representative O'Day, who is Chair of the Joint Committee on Municipalities and Regional Government, sent a letter of recognition to SHELD for its commitment to Safety and

Sustainability Education training for South Hadley students. Under normal circumstances there would have been a recognition event. However, due to COVID restrictions, SHELD received a letter instead.

Old Business:

There was none.

New Business:

Mr. Dubreuil informed the Board that the Manager's contract states his yearly review will be done in October so he will be sending Board members the formatted review form.

Mr. Dubreuil would like to have the review on the October agenda, then have the subcommittee negotiate salary with the General Manager and be able to take a vote at the November/December meeting. Mr. Fitzgerald is currently working on his self-evaluation.

Adjourn:

On a motion by Mr. Hine and seconded by Ms. Awad it was unanimously

VOTED: To adjourn

The open session ended at 7:09 P.M.



Anne Awad, Clerk

Approved: October 22, 2020

EXHIBIT A

List of Documents reviewed at the September 24, 2020 Municipal Light Board Meeting

1. Draft Open Session Minutes of the MLB August 27, 2020 meeting
2. 2019 Audit report presentation by Howard Cheney of MyersBrothersKalicka
3. Email from John Howard regarding SHELD's Solar Rebate Program
4. APPA Certificate of Excellence in Reliability
5. Presentation of SHELD's Reliability Ratings
6. Letter of recognition from Representative O'Day